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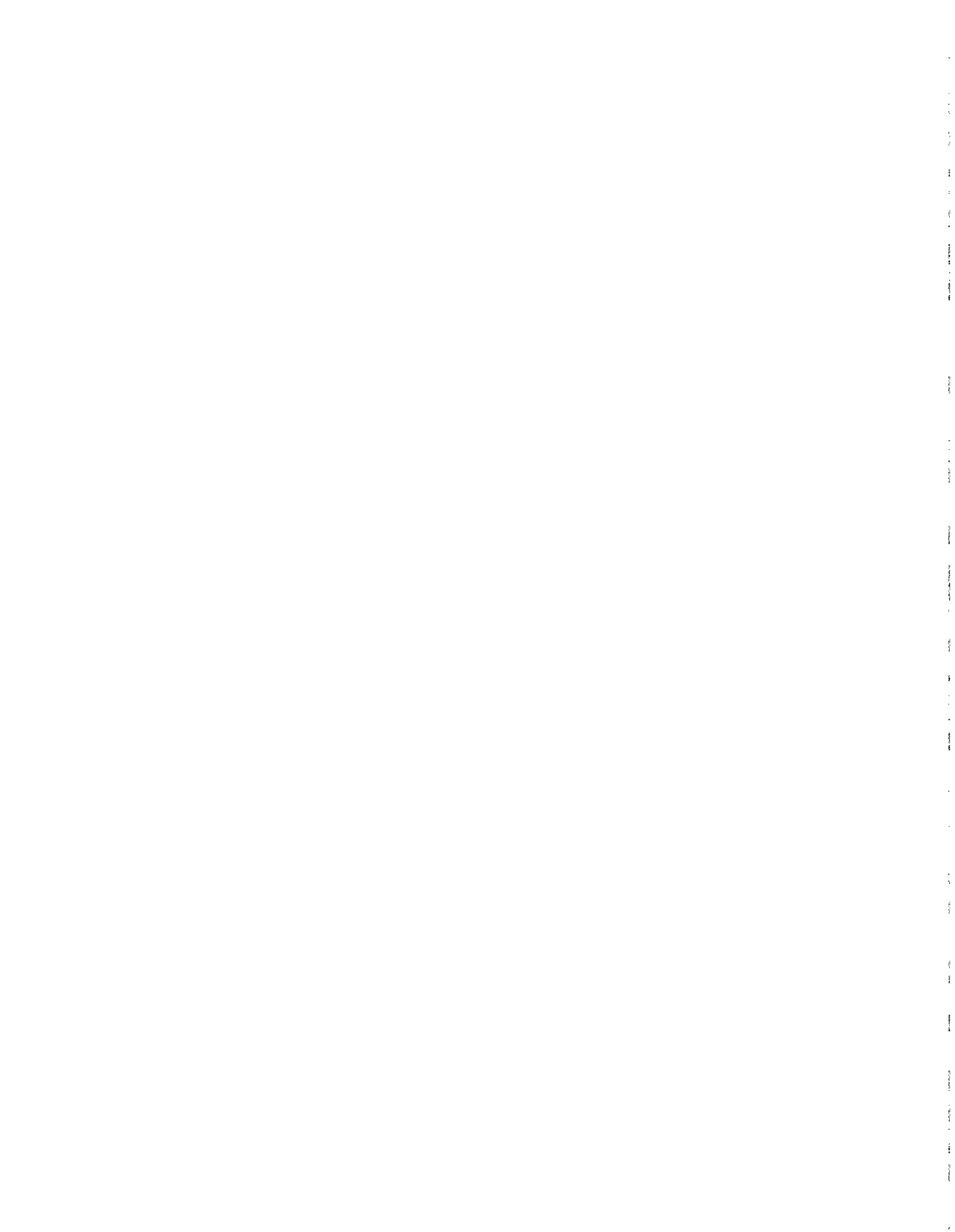
General Accounting Office

Erroneous Supplemental Security Income Payments Result From Problems In Processing Changes In Recipients' Circumstances

Recipients of Supplemental Security Income are required to report to the Social Security Administration changes in income, resources, and other circumstances affecting their benefit payment amount or continued eligibility for assistance. Millions of dollars are being erroneously paid to recipients annually, because of the lack of adequate filing systems, processing procedures and goals, and management controls to ensure that these changes are promptly and accurately processed.

Social Security's reliance on its over 1,300 field offices to develop their own methods to process this large workload--about 12 million changes annually--has not been effective. Stronger central direction, improvements in district office processing practices, and computer controls to ensure that these changes are properly processed are needed.

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FEBRUARY 16, 1979





UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

HUMAN RESOURCES
DIVISION

B-164031(4)

The Honorable Joseph A. Califano, Jr.
The Secretary of Health, Education,
and Welfare

Dear Mr. Secretary:


This report describes the Social Security Administration's efforts to process reported changes in Supplemental Security Income recipients' income, resources, or other circumstances once they have become eligible for benefits. It contains recommendations to improve Social Security's procedures and practices for processing reported changes and to ensure that benefits paid to recipients properly reflect their demonstrated continuing need for financial assistance.

As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We are sending copies of this report to the Chairmen, House Committee on Government Operations; Senate Committee on Governmental Affairs; House Committee on Appropriations; Senate Committee on Finance; House Committee on Ways and Means and its Subcommittee on Public Assistance and Unemployment Compensation; and Senate Appropriations Subcommittee on Labor and Health, Education, and Welfare. Copies are also being sent to the Director, Office of Management and Budget, and the Administrator of General Services.

We appreciate the cooperation and assistance given by Social Security personnel and would like to be periodically informed of the progress made to implement our recommendations.

Sincerely yours,



Gregory J. Ahart
Director

GENERAL ACCOUNTING OFFICE
REPORT TO THE SECRETARY OF
HEALTH, EDUCATION, AND
WELFARE

ERRONEOUS SUPPLEMENTAL SECURITY
INCOME PAYMENTS RESULT FROM
PROBLEMS IN PROCESSING CHANGES
IN RECIPIENTS' CIRCUMSTANCES

D I G E S T

Eligibility for federally administered Supplemental Security Income benefits is based on a continuing need for financial assistance. Once eligibility for assistance is established, recipients must report changes in income, resources, or other circumstances that could affect the recipient's benefit payment amount or continued eligibility. If any of this information is not promptly and correctly processed, payment errors will occur. These changes are referred to as posteligibility changes.

The Social Security Administration estimates, based on its quality assurance data, that it erroneously overpaid about \$1 billion and underpaid about \$262 million in Supplemental Security Income benefits from January 1976 through March 1978. Of the approximately \$1 billion overpaid, about \$478 million (or 45.5 percent) was attributed to problems Social Security has experienced in processing reported changes.

Changes are reported by recipients or representative payees to Social Security field offices by letter, by telephone, or through office visits. The changes are reviewed, recorded on a computer input document, and transmitted through a nationwide telecommunications network to the Social Security computer facility in Baltimore. If complete and correct, the changes are posted to the recipient's Supplemental Security Record; if not, they are returned to the originating office. Rejected information must be corrected and retransmitted. Once posted to the record, the data are used to recompute the Supplemental Security Income benefit amount to be paid the recipient or suspend or terminate from the rolls recipients no longer eligible for benefits, and for other program purposes. (See ch. 1.)

GAO examined 452 posteligibility changes that were received by mail or through office visits at 11 local Social Security offices. Much of the posteligibility information either was lost, was not effectively acted on, or took too long to process.

Most of the local offices' problems result from lost records and a lack of adequate processing procedures, controls, and time frames. Effective procedures and goals, and a system for controlling and monitoring posteligibility changes, are needed to ensure that Supplemental Security Income payments are correct. (See ch. 3.)

Federal regulations provide that the General Services Administration, through its National Archives and Records Service, establish and maintain a program of direct technical assistance to Federal agencies for managing the creation, maintenance, and disposition of Federal records and evaluate the effectiveness of the records programs that are established. The Federal Records Act requires agencies to periodically inspect their records management program. Evaluations of the adequacy of Social Security's records management program have been limited. (See p. 15.)

Social Security's computer facility and nationwide telecommunications network were designed to permit prompt, accurate reporting of changes in recipients' income, resources, and other circumstances. The field offices use the system to retrieve as well as update information on Supplemental Security Income recipients' records.

The system also provides field offices with reject and alert messages, which indicate that posteligibility changes are either incorrect and should be retransmitted or that other matters pertinent to recipients' records need further development.

Controls needed to ensure that changes are either posted to Supplemental Security Records or rejected and later corrected by the field

offices have not been established. In addition, some alert messages controlled by the computer system may be of questionable value, while others that may affect a recipient's continued eligibility or payment amount should be but are not controlled. Social Security needs to assess all alert messages to determine which should be controlled and monitored and which should be eliminated. (See ch. 4.)

RECOMMENDATIONS

The Secretary of Health, Education, and Welfare should direct the Commissioner of the Social Security Administration to improve the processing of changes to recipient payments by:

- Establishing procedures, goals, and a system for controlling, processing, and monitoring posteligibility changes.
- Establishing pending files for controlling posteligibility changes that are not monitored through the District Office Workload Report.
- Establishing procedures to insure that posteligibility information received is processed before it is filed.
- Insuring that offices retain and dispose of documents in accordance with the Social Security records retention and disposal schedule.
- Requesting the National Archives and Records Service to help develop an effective records management program.
- Periodically assessing the records management program to determine compliance with the Federal Records Act.

The Secretary should also direct the Commissioner to establish appropriate controls to minimize problems associated with processing posteligibility changes and provide added assurance that prompt, effective processing action is taken by:

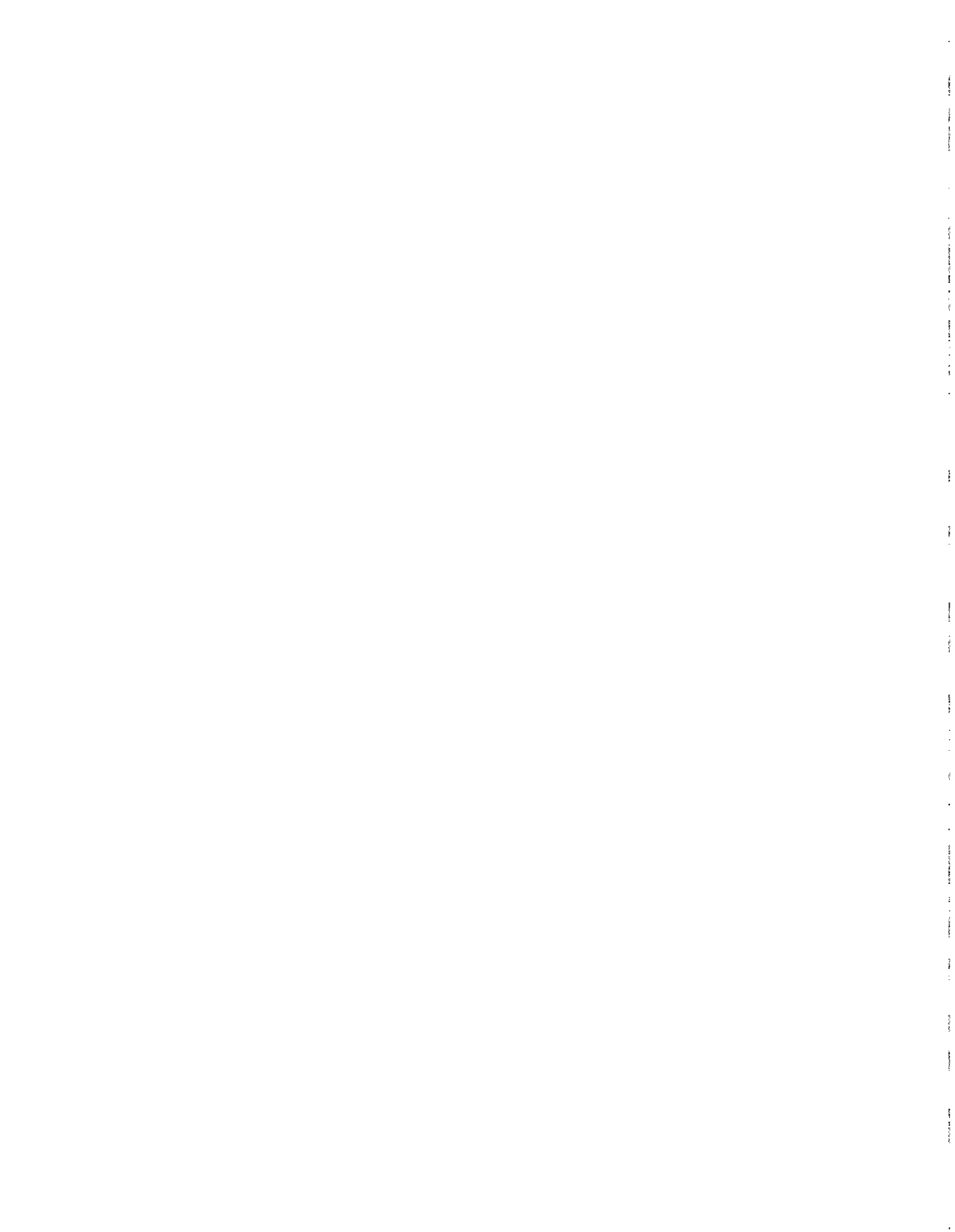
- Establishing controls in the computer system to assure field offices that all posteligibility changes transmitted by them are either posted to the record or rejected.
- Establishing controls over rejects so that the system can notify field offices when information in reject messages has not been corrected.
- Evaluating the alert system to insure its effectiveness.
- Reemphasizing to field offices the need to process rejects and alerts.
- Periodically monitoring the field offices to insure that rejects and alerts are promptly and effectively processed.

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ABBREVIATIONS

| | |
|------|---------------------------------------|
| GAO | General Accounting Office |
| NARS | National Archives and Records Service |
| SSA | Social Security Administration |
| SSI | Supplemental Security Income |



CHAPTER 1

INTRODUCTION

The Supplemental Security Income (SSI) program was established by title XVI of the Social Security Act (42 U.S.C. 1381), effective January 1, 1974, to provide cash assistance to needy aged, blind, and disabled persons based on national uniform eligibility requirements and benefit criteria. This program, which replaced the former federally assisted but State-administered programs of Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled, is administered by the Social Security Administration (SSA).

The SSI program currently provides a basic monthly Federal benefit of \$189.40 for a qualified individual with no countable income (for example, wages, pensions, retirement benefits) and \$284.10 for a couple. States can supplement Federal SSI benefits with their own funds and can either administer supplementary payments themselves or contract for Federal administration. In the program's first 4 years, over \$17.4 billion in Federal funds and about \$5.5 billion of federally administered State supplemental funds were paid to SSI recipients. More than 4 million persons presently receive SSI benefits.

We have issued a number of reports evaluating causes of SSI overpayments and underpayments to recipients and recommending actions to reduce payment errors. (See app. I.) In part, these reports dealt with (1) the need for SSI to obtain accurate, complete information on compensation and pension income received by SSI recipients from other Federal agencies, (2) the need for SSA to establish procedures to obtain timely reports from nursing homes on recipient admittances, (3) the need for SSA to adequately reimburse States for assistance provided SSI applicants under SSA's interim assistance program, and (4) SSA's system for assessing the quality of the SSI program and its effectiveness in identifying program problems and recommending corrective actions.

This report describes SSA's efforts to process reported changes in recipients' income, resources, or other circumstances once they have become eligible for SSI benefits. These are referred to as posteligibility changes. Because eligibility for benefits is based on a continuing need for financial assistance, these changes must be processed promptly and effectively or payment errors will occur.

SSI PAYMENT ERRORS ARE A CONTINUING PROBLEM

SSA's quality assurance system, established in July 1974, measures the accuracy of SSI payments to recipients. On the basis of a sample review of recipients on the SSI rolls, SSA estimates and reports semiannually the amount of Federal and State supplemental overpayments and underpayments to ineligible. The table below shows payment errors estimated under this system.

| | Reporting period | | | | | |
|--------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|------------------------------------|-------------------------------------|----------------|
| | Jan.- June 1976 (note a) | July- Sept. 1976 (note a) | Oct. 1976- Mar. 1977 (note a) | Apr.- Sept. 1977 (note b) | Oct. 1977- Mar. 1978 (note a) | Total |
| | <hr/> (millions) <hr/> | | | | | |
| Overpay- ments | \$126 | \$ 60 | \$106 | \$ 77 | \$ 83 | \$ 452 |
| Payments to in- eligi- bles | <u>173</u> | <u>83</u> | <u>137</u> | <u>83</u> | <u>121</u> | <u>597</u> |
| | 299 | 143 | 243 | 160 | 204 | 1,049 |
| Underpay- ments | <u>64</u> | <u>28</u> | <u>58</u> | <u>50</u> | <u>62</u> | <u>262</u> |
| Total | <u>\$363</u> | <u>\$171</u> | <u>\$301</u> | <u>\$210</u> | <u>\$266</u> | <u>\$1,311</u> |

a/Includes payment adjustment lag errors which, according to SSA, are caused by events that occur too close to the payment date to allow time for adjustment. SSA has excluded such errors from the rates published by its Office of Quality Assurance since the January through June 1976 reporting period.

b/Does not include payment adjustment lag errors. According to SSA, the information for this period was not readily available as of December 1978 because a data tape was misplaced.

SSA classifies payment errors by the following categories:

--Initial claim: the initial application process.

--Redetermination: the annual review of eligibility.

- Posteligibility: a change in recipient circumstances.
- Data processing: data processing within the SSI payment system.
- Conversion: former State-administered cases transferred to SSA.
- Not determined: error not attributable to above categories.

Posteligibility errors, according to SSA estimates, accounted for about \$478 million, 1/ or about 45.5 percent of the projected amount that was overpaid recipients on the rolls during the period January 1976 through March 1978. This is illustrated by the following quality assurance data, which show semiannual payment error percentages by error category.

| Error category | Reporting period | | | | |
|-----------------------|-----------------------------------|------------------------------------|---|------------------------------------|---|
| | Jan.- June 1976 (note a) | July- Sept. 1976 (note a) | Oct. 1976- Mar. 1977 (note b) | Apr.- Sept. 1977 (note b) | Oct. 1977- Mar. 1978 (note b) |
| Initial claim | 17.2 | 16.8 | 14.4 | 9.4 | 12.1 |
| Redetermina- tions | 34.4 | 33.3 | 47.1 | 41.6 | 33.2 |
| Postelii- bility | 39.6 | 45.7 | 35.2 | 42.8 | 48.9 |
| Data pro- cessing | 5.3 | 2.7 | 2.2 | 5.9 | 5.6 |
| Conversion | 3.0 | 1.1 | .6 | .3 | .1 |
| Not deter- mined | .5 | .4 | .5 | .0 | .1 |

a/See note a, p. 2.

b/Does not include payment adjustment lag errors.

1/SSA's Office of Quality Assurance generally attributes an SSI overpayment to one or more of the six error categories and uses this information to plan corrective action. Accordingly, the estimated overpayment amount and percentage attributed to posteligibility errors cannot be derived from the following table or the one on p. 2.

According to SSA's Office of Quality Assurance, comparisons of the payment errors between sample periods cannot be made because the error categories have been redefined. Nevertheless, their review results show that posteligibility processing has been a persistent problem and that its error rate over the past 2 years has been one of the highest among the six categories.

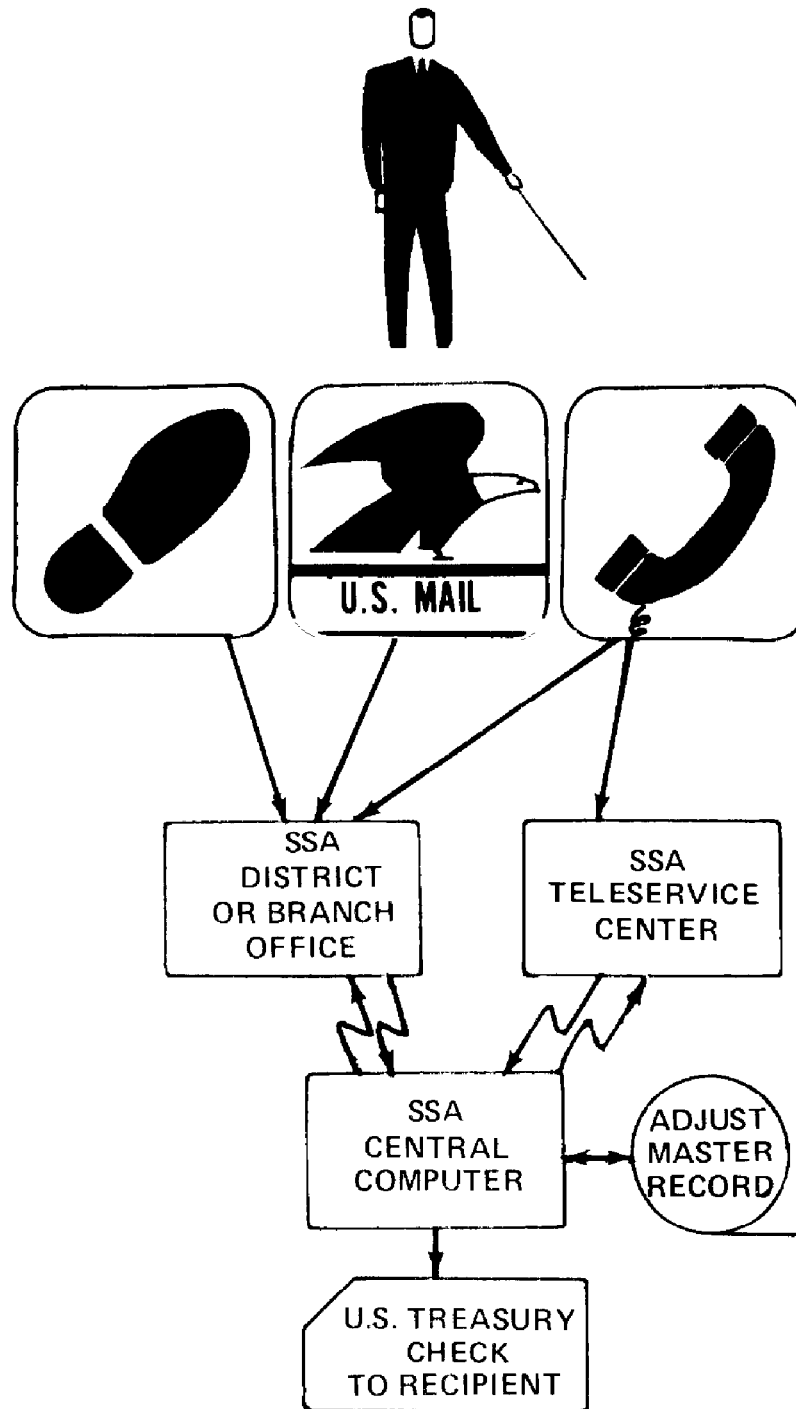
THE POSTELIGIBILITY PROCESS

SSA administers the SSI program through its central office in Baltimore, 10 regional offices, over 1,300 district and branch offices, and 30 teleservice centers.

SSA processes over 12 million SSI posteligibility changes annually. These changes are reported by recipients, representative payees, or third parties 1/ to SSA's field office by letter, by telephone, or through office visits. The changes are reviewed, recorded on a computer input document, and transmitted through a nationwide telecommunications network to the SSA computer facility in Baltimore. If complete and correct, the changes are posted to the recipient's Supplemental Security Record; 2/ if not, they are returned to the originating office. Rejected information must be corrected and retransmitted. Once posted to the record, the data are used to recompute the SSI benefit amount to be paid the recipient or suspend or terminate from the rolls recipients no longer eligible for benefits, and for other program purposes. This process is designed to be quick and to keep the record accurate and current, thereby avoiding payment errors. (The chart on the following page illustrates the process.)

1/A representative payee is a person or organization selected to receive and manage SSI benefits on behalf of another. A third party is a person or agency with knowledge of changes in recipients' circumstances.

2/The Supplemental Security Record is the computerized information file for SSI recipients.



POSTELIGIBILITY PROCESSING

SCOPE OF REVIEW

We reviewed pertinent laws, regulations, policies, procedures, and practices for processing reported posteligibility changes and interviewed SSA officials and employees responsible for the SSA program. Our review was made at SSA's central office in Baltimore; its regional offices in Chicago, Denver, and San Francisco; its three teleservice centers in Chicago, Denver, and Berkeley; and 11 of its district offices. We reviewed field office processing of 452 posteligibility changes reported during a 2-week period. We also reviewed over 1,300 posteligibility changes that had been transmitted by the field offices to the central computer facility to determine if the information was properly processed. Because they generally provide services, including the reporting of posteligibility changes, for a number of recipients, we asked several representative payees and third parties in the three regions about their experience in getting their offices to properly process changes they had reported.

We could not assess the adequacy of district offices' and teleservice centers' processing of information obtained from telephone calls because information provided by telephone is generally recorded directly on a computer input document. This document does not provide enough information for assessing the handling of telephone calls. We did, however, determine whether the information so provided was adequately processed through the central computer facility.

CHAPTER 2

POSTELIGIBILITY CHANGES ARE NOT EFFECTIVELY

PROCESSED BY DISTRICT OFFICES

District offices handle most posteligibility changes that are reported to SSA. SSA generally considers these changes as transactions that should be quickly processed. However, about 19 percent of the posteligibility information tested in the district offices we visited either was lost, was not effectively acted on, or took too long to process. Because of the problems in getting the changes processed, some representative payees and third parties have stopped or delayed reporting them to SSA.

PROCESSING PROBLEMS

We examined 452 posteligibility changes 1/ received by mail or through office visits during a 2-week period at the 11 district offices visited to determine how effectively the changes were processed. Of the posteligibility changes, 25 to 58 percent were not posted to recipients' Supplemental Security Records soon enough to be reflected in their next benefit check. Moreover, 3 to 32 percent were not posted within 30 days 2/ of receipt, and 12 to 33 percent were never entered on the recipient's Supplemental Security Record in Baltimore by the completion of our fieldwork--as long as 87 days after being received in the district offices.

In several district offices mail received before our 2-week period was piled up awaiting processing. For example:

1/Our test covered all reported posteligibility changes which required processing received at the district offices over the test period. District office managers indicated that the period covered by our test was typical of their operations.

2/In view of SSA's computer and telecommunications network, SSA headquarters officials believe most of the changes reported to SSA ought to be processed within 30 days. In the absence of specified SSA time frames or goals for processing these changes (see ch. 3), we used 30 days, for purposes of our review, as the maximum time necessary for them to be processed.

- In one district office, posteligibility mail was worked on last and then only when the staff could get to it. District office management attributed this situation to staff turnover and the inability to promptly fill position vacancies. Mail bins contained several months' accumulation of posteligibility correspondence awaiting processing; for example, one 4-month-old letter informed SSA of a recipient's move to another State which would have reduced his monthly benefits from \$276 to \$42.
- In another district office, several months' of mail from the largest representative payee in the area had not been processed. The assistant district office manager said that he was aware of the situation but did not have enough staff to handle that work.

Representative payees told us that district offices frequently failed to properly process reported changes. Some payees had informed the local SSA office of a post-eligibility change many times, yet the change was not processed. For example:

- In October 1975 and again in February 1976, a county agency, serving as a representative payee, informed a local SSA office that a mother was incorrectly receiving SSI and Aid to Families with Dependent Children benefits for a disabled child. Although SSA informed the mother in April 1976 that SSI payments would be discontinued, they were not stopped until March 1977.
- The same local SSA office was advised by the same representative payee that in November 1975 and again in January and August 1976 a recipient had accumulated funds far in excess of the permissible maximum of \$1,500 to remain eligible for SSI. The district office did not stop payment until April 1977.
- Three representative payees showed us documents for 35 cases involving posteligibility changes that were reported but not properly acted on. For 16 of the cases, no action had been taken; for the other 19, only incomplete action had been taken.

Two of the three representative payees expressed frustration at SSA's lack of action. One had resorted to hand-delivering correspondence to the office and requesting a receipt. That payee noted an improvement in the office's responsiveness. According to supervisors of one county-city welfare agency, they became disenchanted with the SSA process and had cut back on providing the district office with information on SSI recipients.

Causes of processing problems

At the district offices visited, we categorized the processing problems as follows:

- Lost: the correspondence or record of contact could not be located in the case file, or the file could not be found.
- Not acted upon: the information was in the case file, but the office had not processed it.
- Partially acted upon: the information was in the case file, but the office had not fully processed all the information.
- At employee's desk: the information was on or under a claim or service representative's desk for a long time and had not been processed.
- Other: the processing problem resulted from other or unknown causes.

For 6 of the 11 district offices, the following table shows the percentage of unprocessed posteligibility changes falling into each category.

| <u>Local SSA office</u> | <u>Lost</u> | <u>Not acted upon</u> | <u>Partially acted upon</u> | <u>At em- ployee's desk</u> | <u>Other</u> |
|---------------------------------|-----------------------|-------------------------------|-------------------------------------|-------------------------------------|--------------|
| | <hr/> (percent) <hr/> | | | | |
| A (note a) | 12 | 63 | 25 | - | - |
| B (note a) | 50 | - | 20 | 20 | 10 |
| C (note a) | 25 | 25 | - | 25 | 25 |
| D | 57 | - | 29 | - | 14 |
| E | 39 | 8 | 23 | 15 | 15 |
| F | 25 | 50 | 25 | - | - |

a/We did not review the processing of information recipients provided these offices during visits.

The table shows that the most common cause for the processing problems was information being lost before it was acted on. The other two largest causes, "not acted upon" and "partially acted upon," resulted from posteligibility documents being placed in the recipient's file without an indication that further action was required. We brought these cases to the attention of the district office officials; they were unable to determine, from available documentation, whether the information had been processed. They agreed, however, to further pursue the matter.

CHAPTER 3

STRONGER CENTRAL DIRECTION NEEDED TO IMPROVE POSTELIGIBILITY PROCESSING

Most district office processing problems result from lost records or files and a lack of adequate processing procedures, controls, and time frames. Effective procedures and goals, and a system for controlling and monitoring post-eligibility changes, are needed to ensure that SSI recipients are paid the amount of benefits they are entitled to. These procedures and goals would also give SSI a basis to evaluate and improve the quality of its district offices' records management practices.

PROCESSING PROCEDURES AND GOALS NEEDED

SSA recognizes that processing procedures and goals are beneficial and has recently established some for other local office work. It has not, however, established them for processing SSI changes reported by recipients and others. Some district office managers stated that, because these changes have not had a high processing priority, they are often set aside to allow completion of higher priority work, such as processing initial applications for benefits and redetermining recipients' continued eligibility.

Processing procedures lacking

Although SSA recognizes that efficient movement of claims and related material is crucial in administering the SSI program and that a systematic approach to workflow is needed, each district office has been permitted to develop its own workflow procedures. None of the district offices visited, however, had written procedures covering all major steps necessary for processing posteligibility changes.

In April 1977, SSA provided its field offices with a handbook for establishing workflow processing guidelines for controlling and managing SSI claims and related material. The handbook, however, does not give procedures for processing posteligibility changes. Furthermore, an SSA central office official told us that use of the handbook was recommended, but not mandatory.

Federal regulations (41 C.F.R. 101-11) provide that the General Services Administration, through its National Archives and Records Service (NARS), establish and maintain a program of direct technical assistance to Federal agencies for managing the creation, maintenance, and disposition of their records. SSA neither requested nor received NARS technical assistance in developing the various workflow guidelines and procedures in the handbook.

At our request, NARS San Francisco regional officials reviewed the workflow handbook. Although the review was a preliminary analysis without the benefit of an onsite review of SSA operations, NARS officials provided the following comments:

"Work flows are treated as sequential (one work flow following another) while our experience suggests that this simple flow relationship is the exception rather than the rule for efficient processing."

* * * * *

"Goals, milestones, time expectations, and alternate processes are not sufficiently developed."

* * * * *

"The * * * processing steps * * * seem to be fragmented between multiple technicians rather than multiple functions performed by fewer technicians * * *."

NARS officials doubted that the guidelines would be adequate for either management or operating-level personnel in the field. They added that, in an operation like SSA's, it is highly desirable to have centrally established basic workflow processes that every component should follow, with alternate processes to be used in special circumstances.

Processing goals and
measurement criteria lacking

SSA has not established goals to assure that posteligibility changes are processed promptly. In addition, it does not measure the time it takes to process most of these

changes. In this regard, many district managers said they concentrate on work items that SSA monitors through its District Office Workload Report. This report provides weekly information on district office work received, processed, and pending.

About 15 percent of the posteligibility processing workload reported in the Workload Report is logged in and monitored until completion, and the report showed that most monitored changes were processed within 30 days. The remaining posteligibility changes--85 percent of the workload--are not monitored. They are counted only when processing is completed. These changes include such items as change of address, death, income, and resource notices--many of which we found were not processed promptly.

We believe emphasis should be placed on changes that have not been processed within a reasonable time. However, to monitor the processing of all changes through the District Office Workload Report, extensive information would have to be logged in on each change. This would create unnecessary work. The ability to monitor the processing of these changes through the report could be established, however, by requiring the district offices to maintain pending files for controlling changes that have not been processed. The offices could periodically count and record in the Workload Report changes that have not yet been processed as well as those that were pulled from the pending files and worked on.

STANDARDIZED FILE CONTROL METHODS AND PROCEDURES NEEDED

SSA has given its district offices little direction regarding file control methods and procedures; for the most part, it has left the development and implementation of such controls to the discretion of each office. SSA requires district offices to establish a file folder for each recipient who becomes eligible for SSI. The folder is to be maintained in the office until the central office advises the district office to forward the folder to one of SSA's program service centers or to its Bureau of Disability Insurance in Baltimore. Documents, such as those containing posteligibility changes, received by the district office after the folders have been forwarded are to be destroyed or forwarded for retention with the recipient's SSI file folder according to an SSA records disposition schedule. (See p. 15.)

The offices visited used a variety of filing systems. In many of the offices, systems for filing and controlling various recipient documents needed strengthening. File control systems ranged from a single file folder for all documents to a separate folder containing documents associated with each major event involving an SSI claim (for example, initial application, redetermination, and overpayment). Offices also filed posteligibility documents differently. Some kept information obtained from recipients together with the computer input document, while others maintained the documents in various recipient files.

In most of the district offices visited, personnel were unable to locate all pertinent posteligibility documents we requested. In addition, file folders were so poorly maintained in several offices that the staff could not be sure they had located all documents applicable to a recipient. Files folders and documents were scattered throughout the work area--sometimes under employees' desks.

Some district office managers conceded that they knew little about establishing good filing systems and were experimenting with various systems to solve what they considered a major problem--finding recipients' SSI files. Several felt that file control guidance was needed.

In July 1977, SSA's central office provided its field offices with guidelines on file control systems. The guidelines require each field office to develop a filing system, maintain it in writing, and insure that office staff fully understand it. The guidelines, however, allow considerable leeway for "local initiative." As with the workflow handbook, SSA did not contact NARS for assistance in developing the guidelines.

At our request, San Francisco regional NARS officials reviewed the file control guidelines. According to these officials the guidelines, among other things, lack information on:

- What types of documents are to be filed.
- A classification scheme for comprehensive files.
- Systems for cross-referencing and indexing files.
- Effective chargeout procedures to maintain file integrity.

These officials support SSA's effort to develop and implement a national standardized filing system, but they believe that implementation should be mandatory. Moreover, they believe a professionally designed system and its attendant guides and handbooks would facilitate interoffice case transactions, training of new employees, faster filing, lower loss rates, easier disposition, and the ability to monitor and control this important operational tool while maintaining the necessary flexibility for successful implementation.

Retention and disposition of records were also a problem in the district offices. Although SSA's central office gives the district offices instructions on when to dispose of certain posteligibility documents and how long to retain others, none of the visited district offices followed the instructions.

Most posteligibility documents can be destroyed within a year. However, posteligibility documents that are the basis for a redetermination decision are to be forwarded to a program service center for retention. Often these documents affect a recipient's payment and are the only evidence supporting a change to a pay record.

Some district offices visited kept posteligibility documents indefinitely, while others kept documents for varying periods. Two offices had established their own disposition schedules. Some district offices had destroyed key posteligibility documents. SSA requires these documents to be forwarded to a program service center, where they are held for 5 to 6 years. In most cases, however, these documents were attached to the SSI computer input document, which may be destroyed after 7 to 12 months.

RECORDS MANAGEMENT PROGRAM SHOULD BE EVALUATED

The Federal Records Act (44 U.S.C. 395(c)) requires NARS to periodically evaluate the effectiveness of Federal departments' and agencies' records management programs for controlling the creation, maintenance, and use of current records; for selectively retaining records of continuing value; and for disposing of noncurrent records. The act also requires agencies to periodically inspect their records management program.

According to SSA central office officials, SSA has not formulated plans for monitoring the district offices' management of their records. In addition, the officials were not aware of the requirement to inspect their records management program. They noted, however, that regional offices are required to periodically review district office operations, which would include records management. Guidelines for these reviews, however, cover few aspects of records management. For example, one guideline instructs the reviewer to observe any activities that prevent or delay receptionists from locating files. In the entire guideline this is the only mention of records management.

At the time of our fieldwork, neither NARS nor SSA had evaluated the adequacy of the district offices' records management programs. At our suggestion, however, the SSA San Francisco regional office requested NARS to evaluate its district offices' records management activities. In its June 1977 report, NARS reported that the district offices it evaluated had serious problems with their case filing systems, workflow planning and control systems, paperwork, and information flow systems and procedures. The report pointed out that:

"The case files are not being maintained in a uniform manner; the case filing instructions are fragmented and inadequate; construction, processing, filing, retrieval, and disposal of case files are not smooth and efficient. Additionally, there is inadequate control of the active case file folders. Case file related problems of the dimensions observed clearly impair the efficiency of SSA in accomplishing its mission."

* * * * *

"To meet information needs, a manual system has evolved that engages most office personnel in detailed recordkeeping * * *. Although initially adequate for a smaller office, the logarithmic growth in workload and personnel has caused this system to require a disproportionately greater demand on staff time. Additionally, the relative complexities of the SSI processing requirements have diminished the operational utility of the very general information this system provides * * *."

* * * * *

"The manual system, while sound in concept, is becoming less adequate for the volume and complexities introduced by the new programs."

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"SSI is continually involved with the processing, monitoring, and controlling of sensitive paperwork which flows through a series of key decision points. In this process, the documents are used to generate reports, decisions, and other actions in a complex paperwork chain. These major paperwork procedures have not been well documented. A detailed study, including flow charting and analysis, layout analysis, equipment utilization, workload distribution, work standards analysis, and organizational configuration will enable evaluation of the entire process."

NARS made a number of recommendations to SSA's San Francisco regional office for correcting these deficiencies. Although the regional office has since had informal contacts with NARS officials, as of December 1978 no formal action had been taken on the recommendations.

CONCLUSIONS

Processing posteligibility changes continues to be one of the biggest causes of erroneous payments to SSI recipients--amounting to about \$478 million, or 45.5 percent of the approximately \$1 billion overpaid to recipients from January 1976 through March 1978.

At the 11 local SSA offices visited, many posteligibility changes reported by recipients and representative payees were not effectively acted upon. Posteligibility documents either (1) were lost, (2) were not effectively acted on, or (3) required too long to process. We believe many of these problems occur because SSA's central office has not provided adequate processing procedures and goals and a system for controlling and monitoring posteligibility changes.

Procedures and goals, and provisions for monitoring the processing of posteligibility changes, are needed to insure that prompt, effective action is taken on these changes.

In addition, a uniform records management program should be developed and implemented to insure that receipt files are effectively and efficiently maintained. In developing this program, SSA should request the assistance of NARS.

RECOMMENDATIONS TO THE SECRETARY
OF HEALTH, EDUCATION, AND WELFARE

To improve the processing of changes to SSI recipient payments, we recommend that the Secretary direct the Commissioner of SSA to:

- Establish procedures, goals, and a system for controlling, processing, and monitoring SSI posteligibility changes.
- Establish pending files for controlling posteligibility changes that are not monitored through the District Office Workload Report system.
- Establish procedures to insure that posteligibility information received is processed before it is filed.
- Insure that offices retain and dispose of documents in accordance with SSA's records retention and disposal schedule.
- Request the National Archives and Records Service to help develop an effective records management program.
- Periodically assess the records management program to determine compliance with the Federal Records Act.

CHAPTER 4

DATA TRANSMISSION AND

PROCESSING PROBLEMS

Data received from recipients by field offices can be promptly transmitted to the central computer facility in Baltimore through SSA's nationwide telecommunications system. The field offices use the system to retrieve as well as update information on SSI recipients' Supplemental Security Records. In addition, the system provides field offices with reject and alert messages. Reject messages indicate that posteligibility changes are incorrect and should be retransmitted. Alert messages indicate that other matters pertinent to the recipient's record need further development. However, despite proper processing action by field offices, erroneous payments can occur.

In monitoring certain posteligibility changes being processed, we found that some were not reflected in the recipients' Supplemental Security Records or returned to the field offices for corrective action. In addition, when changes were returned to the field offices, some offices failed to process rejected changes and alerts. The SSA central office is generally not aware when the changes transmitted to it are not processed.

POSTELIGIBILITY CHANGES UNACCOUNTED FOR

Posteligibility changes are transmitted in messages that originate at district offices and teleservice centers.

With SSA's assistance, we traced a number of posteligibility changes contained in messages transmitted by the 11 district offices and 3 teleservice centers to the central computer facility. Information contained in messages transmitted by six of the offices was posted to the recipient's Supplemental Security Record. In the other eight offices, the posteligibility changes transmitted had been received in Baltimore, but many changes had not been posted to the recipient records and remained unaccounted for at the completion of our fieldwork in December 1976. This was 30 to 80 days after the field offices had first transmitted the change.

Some of the changes that remained unaccounted for were in messages that were partially processed. For example, one message containing six posteligibility changes was received in Baltimore; however, while five of the changes

were posted to recipient records, the other had apparently not been acted on. Other changes were in messages that were never processed or in messages that had been rejected by the system because of errors.

SSA has since corrected two deficiencies it identified as preventing an entire message from being processed or returned to the field offices for corrective action. The first deficiency occurred when the computer system failed to operate. In restarting the system, certain messages were overlooked and never processed. The second deficiency occurred when notifications of reject messages were not mailed back to the district offices. Such notifications are now transmitted through the telecommunications system.

For partially processed messages, we noted that changes in these messages had been rejected by the system, but notice of such rejection had not been received at the field offices. SSA could not tell us if the rejected changes had been transmitted to the offices because the tapes containing these changes had been erased. The field offices agreed to follow up on the partially processed messages to ensure that the changes were properly posted to the recipient's record.

Furthermore, the computer system has not been programed so that SSA can assure the field offices that entered changes are either posted to the record or rejected. In addition, because the computer system has not been programed to inform the district offices of the number of rejects being transmitted, the offices cannot determine whether they have received all of the rejects.

REJECTS AND ALERTS ARE NOT PROPERLY CONTROLLED

SSA estimates that the central computer facility transmits over 1.3 million rejects to field offices annually asking them to correct previously submitted posteligibility changes. SSA also estimates that it transmits over 466,000 alerts to the field offices annually concerning other matters pertinent to the recipient's record that need further development. Alerts vary from notifying an office that a recipient did not receive his payment to indicating possible recipient fraud. Some field offices failed to review and take appropriate action on many of the rejects and alerts they received.

We reviewed over 1,300 posteligibility changes transmitted through the telecommunications system to Baltimore by the 11 district offices visited. About 15 percent of the

transmitted changes had been rejected, and only four of the district offices had made necessary corrections. In the other seven offices, up to 48 percent of the rejected post-eligibility changes were not corrected and might have remained undetected had we not brought the rejects to their attention. Rejects transmitted to the field offices are not controlled or monitored by the central computer facility to insure that appropriate action is taken. Regional and district office officials told us that such controls would help them to better manage this workload.

However, most alerts are controlled within the computer system, and followup alerts are generated until appropriate action has been taken. But alerts are given even lower priority than rejects in most of the district offices. Some offices processed as many alerts as time allowed, while others handled them selectively based on a staff member's judgment of their significance. Managers and supervisors in some offices stated that they did not process many alerts because (1) they did not have time, (2) many alerts affect records that had already been corrected, and (3) there was no way to further develop some alerts. Many office staffs believed the system was generating too many alerts for them to process. Some of this volume, however, is caused by district offices not clearing previous alerts on the same problem.

For alerts that are controlled but not processed, the computer generally transmits a new alert every 30 days to the field office. One alert that most field offices apparently do not process is the "returned check" alert. This alert informs an office that an SSI check was not deliverable and raises a question as to the recipient's continued eligibility.

Several alerts that are not controlled by the computer appeared important enough to warrant greater attention. For example, one uncontrolled alert tells offices that a recipient has received an SSA Retirement and Survivors Insurance (title II) payment of over \$1,500 and that a redetermination should be made about continued eligibility for SSI benefits.

A central office official said that many alerts generated by the computer are questionable and that some of the alerts are no longer needed. However, because of priorities in other areas, the alert system has not been reviewed, and SSA's efforts to evaluate the system's overall quality and to eliminate outdated alerts have been minimal.

CONCLUSIONS

SSA's computer facility and nationwide telecommunications network were designed to allow for prompt, accurate reporting of changes in recipients' income, resources, and other circumstances affecting payment amount and eligibility. However, controls needed to insure that these changes are either posted to the Supplemental Security Record or rejected and later corrected by the field offices have not been established. By developing and implementing such controls, SSA could eliminate many problems associated with processing these changes and insure that prompt, effective processing action is taken. The controls would also give SSA a mechanism for monitoring the field offices' management of this work.

Some alerts controlled by the computer system may be of questionable value, while others that may affect a recipient's continued eligibility or payment amount should be but are not controlled. SSA needs to assess all alerts to determine which should be controlled and monitored and which should be eliminated.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

To improve SSA's processing of reported posteligibility changes, we recommend that the Secretary direct the Commissioner of SSA to:

- Establish controls in the computer system to assure field offices that all posteligibility changes transmitted by them are either posted to the record or rejected.
- Establish controls over rejects so that the system can notify field offices when information in reject messages has not been corrected.
- Evaluate the alert system to insure its effectiveness.
- Reemphasize to field offices the need to process rejects and alerts.
- Periodically monitor the field offices to insure that rejects and alerts are promptly and effectively processed.

GAO REPORTS ON THE
SUPPLEMENTAL SECURITY INCOME PROGRAM

| <u>Title</u> | <u>Reference number</u> | <u>Date</u> |
|--|-----------------------------|-------------|
| Improvements Needed To Insure the Accuracy of SSI Retroactive Payments | HRD-79-26 | 12/11/78 |
| Replacing Missing Supplemental Security Income Checks--Recipients Waiting Longer Than Necessary | HRD-78-28 | 8/22/78 |
| Supplemental Security Income Quality Assurance System: An Assessment of Its Problems and Potential for Reducing Erroneous Payments | HRD-77-126 | 5/23/78 |
| Need for SSA To Assess Penalties Against SSI Recipients That Fail To Report Changes in Their Circumstances | HRD-78-118 | 5/22/78 |
| States Should Be Fully Reimbursed for Interim Assistance to Supplemental Security Income Recipients | HRD-77-145 | 5/15/78 |
| Review of SSA's Activities Related to Assessing the Continued Medical Eligibility of Disabled SSI Recipients | HRD-78-97 | 4/18/78 |
| Number of Newly Arrived Aliens Who Receive Supplemental Security Income Needs To Be Reduced | HRD-78-50 | 2/22/78 |
| The Social Security Administration Needs To Improve the Disability Claims Process | HRD-78-40 | 2/16/78 |
| Social Security Administration's Procedures for Allocating Administrative Costs to the Supplemental Security Income Program | HRD-78-12 | 11/17/77 |
| Privacy Issues and Supplemental Security Income Benefits | HRD-77-110 | 11/15/77 |

APPENDIX I

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| <u>Title</u> | <u>Reference number</u> | <u>Date</u> |
|---|-----------------------------|-------------|
| Supplemental Security Income Over- payments to Medicaid Nursing Home Residents Can Be Reduced | HRD-77-131 | 8/23/77 |
| SSA's Outreach Efforts To Identify Individuals Previously Denied SSI Benefits | HRD-77-87 | 4/22/77 |
| Efforts Made To Locate and Enroll Potential Recipients of the Supple- mental Security Income Program for the Aged, Blind, and Disabled | HRD-76-176 | 12/ 6/76 |
| Supplemental Security Income Payment Errors Can Be Reduced | HRD-76-159 | 11/18/76 |
| Problems in Administering Supplemental Security Income for the Aged, Blind, and Disabled | MWD-76-73 | 6/11/76 |
| Need for More Uniform Application of the Presumptive Disability Provision of the Supplemental Security Income Program | MWD-76-2 | 10/16/75 |

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